

ARTICLE APPEARED
ON PAGE 1-AWASHINGTON TIMES
31 March 1987

Document shows CIA helped support Contras during ban

By Michael Hedges
THE WASHINGTON TIMES

The CIA used companies run by a retired general to supply the Nicaraguan resistance during a congressional ban on U.S. support, according to government sources and a document obtained by The Washington Times.

A phone number on a Treasury Department financial statement of one company supplying the Contras belonged to a clandestine CIA operation, one source said.

The number was issued in the name of a Defense Department security division and traced to the Pentagon. In a statement yesterday, a Pentagon spokesman said, "This is not an activity of the Department of Defense. It is of another agency."

Sources identified that agency as the CIA.

A high-ranking former intelligence official said retired Air Force Maj. Gen. Richard Secord, who ran firms linked both to the Iran arms deals and Marine Lt. Col. Oliver North's efforts to fund the Contras, may have been brought back into covert service to help move arms to Central America.

"One question seems critical to me," said the former official. "Is Secord an entrepreneur, just a contractor doing jobs down there, or was he [secretly] called back to duty to work as a liaison?"

"There has to have been a liaison between the CIA and the Department of Defense," he said.

Mr. Secord's attorney, Thomas

Green, did not return calls to his office yesterday. A CIA spokeswoman declined to confirm or deny that the agency had used Mr. Secord's companies.

"We are cooperating with any number of investigations into this matter," the agency spokeswoman said yesterday. "We comply with all congressional strictures."

Connections among the Pentagon, the CIA and Mr. Secord are made in a 1985 statement of foreign bank and financial accounts for one of Mr. Secord's companies, Energy Resources International.

The statement, filed with the Treasury Department on May 6, 1986, showed that Energy Resources International, through a subsidiary called Amalgamated Commercial Enterprises, held six accounts in a Panamanian bank.

A diagram sketched by Col. North and reprinted by the Tower board shows the firm A.C.E. as pivotal in his operation to fund the Contras.

Col. North was fired by President Reagan for masterminding the di-

version of proceeds from Iranian arms sales to the rebels. Col. North and his boss, former National Security Adviser John Poindexter, and Gen. Secord all have refused to testify before congressional panels and the presidential board that investigated the Iran-Contra affair.

According to records released by resistance leader Adolfo Calero, Energy Resources International supplied between \$8 million and \$9 million worth of arms to the Contras.

At the bottom of the Treasury Department statement, authenticated by a department official, is a telephone number that police sources said belonged to the Defense Department security division. A Pentagon spokesman, after calling the number, said the function to which it was attached was "strictly internal" and "entirely classified."

The telephone number was disconnected briefly after The Washington Times described on Friday a link between the number and Gen. Secord's companies. The number was operating again yesterday, although a man who answered the phone refused to discuss the purpose of the office and hung up.

Although the telephone number

has a Silver Spring exchange, a police source who traced the number said it was a "blind" line, taken out of its area and assigned to a phone with a different exchange in another area.

Police computers did not show a location for the number, the source said.

Another source said yesterday the CIA had set up a special operation to maintain contact with the Contras throughout the congressional ban

imposed by the Boland Amendment between October 1984 and late 1986.

"The CIA helped them purchase and deliver weapons, ammunition, communications gear and other equipment" during that time, he said.

Defense sources expressed doubt that the Pentagon had initiated any secret plan to supply the Contras, saying it was more likely the Defense Department was aiding the CIA in such an effort.

"It would have been an intelligence operation orchestrated outside, but with some DOD participation," one source said. Asked if that meant the CIA, he replied, "I would look in that direction."

The sources declined to speculate who might have headed such an effort, but published reports have said former CIA Director William Casey masterminded Col. North's White House operation.

A report published in The New York Times last week quoted two unnamed senators and an anonymous congressman as saying Mr. Casey coordinated and planned the Contra aid effort. One lawmaker said Mr. Casey's "fingerprints were everywhere," and another said "North surely needed the expertise and help of the CIA to do all the things he did in Central America."

Mr. Casey underwent surgery to remove a malignant brain tumor in December and is unlikely to testify before a congressional committee or a grand jury investigating the Iran-Contra affair.

A former intelligence official said the CIA had well-established methods for working with the Pentagon on arms shipments.

"There are procedures for funds to flow between DOD and the agency," he said. "The agency has various account numbers and companies, and it's worked through them. It's like a delivery invoice, and you pay against the invoice."